

AMENDED IN ASSEMBLY MAY 16, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2523

Introduced by Assembly Member Canciamilla

February 21, 2002

An act to add ~~Sections 367.2 and~~ and *repeal Section 367.3* to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2523, as amended, Canciamilla. Electrical corporations: rates.

Existing law authorizes the Public Utilities Commission to establish rates for public utilities, including electrical corporations.

This bill would require the commission, *until January 1, 2006*, to ~~establish, for the accounting purposes of the electrical corporations, the Ratepayer Benefit Account with separate accounts for each electrical corporation that serves more than 100,000 customers in the state. The bill would require that all funds recovered by an electrical corporation from any litigation or agreement relative to the charging, either directly or indirectly, of excessive costs for power by electric power generators, suppliers, and marketers, and excessive costs for natural gas charged either directly or indirectly, to natural gas suppliers or marketers for periods ending January 18, 2001, to be credited to the account. The bill would require the commission to require the electrical corporation to allocate moneys credited to a subaccount to ratepayers as a rate refund when the subaccount exceeds an amount over \$10,000,000. The bill would also require the commission to impose a rate reduction for designated customers, if the commission determines that the revenue requirement of an electrical corporation should be reduced~~ *ensure that*

any rate reduction for the retail customer classes of the electrical corporation, and to the rate schedules and rate options within those classes, occurs in the same proportion as the percentage rate increases by class, rate schedule, and rate option that were adopted in the commission's Decision 01-05-064, as amended or modified. Because under the Public Utilities Act, a violation of an order of the commission is a crime, the bill would impose a state-mandated local program by expanding the definition of a crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 367.2 is added to the Public Utilities~~
 2 *SECTION 1. Section 367.3 is added to the Public Utilities*
 3 *Code, to read:*
 4 *367.3. (a) If the commission determines that an electrical*
 5 *corporation's rates, authorized by the commission's Decision*
 6 *01-05-064, as amended or modified, to recover the electrical*
 7 *corporation's and the Department of Water Resources' power*
 8 *procurement costs, should be reduced for any reason consistent*
 9 *with this code, the commission shall ensure that the rate reduction*
 10 *for the retail customer classes of the electrical corporation, and to*
 11 *the rate schedules and rate options within those classes, occurs in*
 12 *the same proportion as the percentage rate increases by class, rate*
 13 *schedule, and rate option that were adopted in Decision*
 14 *01-05-064, as amended or modified.*
 15 *(b) This section shall remain in effect only until January 1,*
 16 *2006, and as of that date is repealed, unless a later enacted statute,*
 17 *that is enacted before January 1, 2006, deletes or extends that date.*
 18 ~~Code, to read:~~
 19 ~~367.2. (a) The commission shall, for the accounting purposes~~
 20 ~~of the electrical corporations, establish a Ratepayer Benefit~~

1 ~~Account with a separate subaccount for each electrical corporation~~
2 ~~serving more than 100,000 customers in the state.~~

3 ~~(b) The funds credited to an electrical corporation's subaccount~~
4 ~~shall be all funds recovered by an electrical corporation resulting~~
5 ~~from any state or federal litigation or regulatory agreement relative~~
6 ~~to the charging, either directly or indirectly, of excessive costs for~~
7 ~~power by electric power generators, suppliers, and marketers and~~
8 ~~excessive costs for natural gas charged either directly or indirectly~~
9 ~~by natural gas suppliers or marketers, for periods ending January~~
10 ~~18, 2001.~~

11 ~~(c) Whenever the total funds credited to a subaccount of the~~
12 ~~Ratepayer Benefit Account for an electrical corporation exceed~~
13 ~~ten million dollars (\$10,000,000), the commission shall require~~
14 ~~the electrical corporation to allocate the money credited to the~~
15 ~~Ratepayer Benefit Account subaccount to all customers in the form~~
16 ~~of rate refunds. The refunds shall be allocated among the several~~
17 ~~retail customer classes of ratepayers of the electrical corporation~~
18 ~~in the same proportion as the class percentage rate increases that~~
19 ~~were adopted in the commission's Decision Number 01-05-064.~~

20 ~~SEC. 2.—Section 367.3 is added to the Public Utilities Code, to~~
21 ~~read:~~

22 ~~367.3. If the commission determines that the revenue~~
23 ~~requirement of an electrical corporation should be reduced,~~
24 ~~consistent with this code, the commission shall impose a~~
25 ~~corresponding rate reduction to allocate the amount of the revenue~~
26 ~~requirement reduction among each retail customer class of~~
27 ~~ratepayers of the electrical corporation in the same proportion as~~
28 ~~the class percentage rate increases that were adopted in the~~
29 ~~commission's Decision Number 01-05-064.~~

30 ~~SEC. 3.—~~

31 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
32 ~~Section 6 of Article XIII B of the California Constitution because~~
33 ~~the only costs that may be incurred by a local agency or school~~
34 ~~district will be incurred because this act creates a new crime or~~
35 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
36 ~~for a crime or infraction, within the meaning of Section 17556 of~~
37 ~~the Government Code, or changes the definition of a crime within~~

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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